

Message Text

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ACTION XMB-04

INFO OCT-01 EUR-12 ISO-00 EB-07 COME-00 TRSE-00 CIAE-00

INR-07 NSAE-00 DODE-00 FRB-03 AID-05 PM-04 L-03 /046 W

----- 011022

R 041536Z MAR 76

FM AMEMBASSY MADRID

TO SECSTATE WASHDC 4841

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E.O.11652: N/A

TAGS: MASS, EFIN, SP

SUBJECT: INTEREST RATE ON EXIM LOAN TO GOS FOR
MILITARY EQUIPMENT

REF: 75 MADRID 8650 75 STATE 302880, 75 STATE 304724

1. MEMO FROM SPANISH SIDE OF PERMANENT SECRETARIAT OF JOINT COMMITTEE ON DEFENSE MATTERS ARGUES THAT INTEREST RATE ON SUBJECT LOAN SHOULD BE KEPT AT 6 PERCENT AND REQUEST THAT EXIM RECONSIDER DECISION TO SET IT AT 7 1/2 PERCENT ON FURTHER DISBURSEMENTS. MEMO SAYS THAT ACCORDING TO MINISTRY OF FINANCE DIRECTORATE GENERAL FOR THE TREASURY AND BUDGETS ALL MATERIAL TO BE FINANCED BY LOAN WILL COME FROM U.S. COMPANIES AND ORGANIZATIONS "WHICH CAN BE CONSIDERED RESPONSIBLE" FOR NEED TO EXTEND SUPPLY PERIOD AND, CONSEQUENTLY TERM OF LOAN.
2. MINFIN FURTHER ARGUES THAT APRIL 10, 1974 CONTRACT RECOGNIZED BY EXIM, FOR ENGINEERING, SUPPLY, INSTALLATION ETC, FOR TERRITORIAL COMMAND NET, HAS BEEN EXTENDED UNTIL 1977 AND INCLUDES PAYMENTS TO BE MADE THAT YEAR.
3. A THIRD POINT IS THAT EXIM REQUIREMENTS ON CREDIT 2852 HAVE FORCED GOS TO MAINTAIN SIZEABLE DEPOSITS WITH LIMITED OFFICIAL USE

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EXIM FOR WHICH GOS HAS RECEIVED NO COMPENSATION.

4. SPANISH SIDE OF PERMANENT SECRETARIAT (WHICH SPEAKS FOR GOS) CONSIDERS ABOVE ARGUMENTS, ESPECIALLY PARA 3, SUFFICIENT REASON NOT TO RAISE INTEREST RATE. MINFIN ALSO SAYS THAT IT PRESENT LEGAL AUTHORIZATION FOR INTEREST ON THIS LOAN IS THE 6 PERCENT FIGURE ORIGINALLY AGREED TO.

5. WE WOULD APPRECIATE EXIM EARLIST REPLY TO THIS REQUEST.
STABLER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
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Concepts: MILITARY EQUIPMENT, BANK LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 04 MAR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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Executive Order: N/A
Errors: N/A
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ISecure: 1
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Margaret P. Grafeld
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04 MAY 2006

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Subject: INTEREST RATE ON EXIM LOAN TO GOS FOR MILITARY EQUIPMENT
TAGS: MASS, EFIN, SP, XMB
To: STATE
Type: TE
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